

**SKAMANIA COUNTY, WASHINGTON**  
**January 1, 1994 Through December 31, 1994**

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**Schedule Of Findings**

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1. Controls Over Cash Receipting And Depositing In The Skamania County Solid Waste Department Should Be Improved

Our audit of the solid waste department disclosed control weaknesses in the areas of cash handling and depositing.

During our review of the transfer stations, we noted the following conditions:

- A cashier inappropriately closed out her till before the end of the day and indicated that she receipted subsequent transactions during the next business day when she arrived at work.
- Cashiers rang in cash drawer overages as miscellaneous or minimum charge transactions instead of properly reporting differences to management.
- Cashiers indicated they felt responsible for supplementing cash drawers for shortages instead of reporting differences to management.
- Cashiers commingled personal funds with change funds resulting in undocumented differences in cash drawers.

We also noted that transfer station deposits were forwarded to the public works department to be recounted and deposited into a separate solid waste checking account rather than deposited directly into the Skamania County Treasurer's Office account. A check is drawn on this account and deposited with the treasurer on a monthly basis.

These internal control weaknesses are the result of a lack of training, supervision, and written policies and procedures by management.

Because of the inadequate controls, we were unable to verify that all transactions were properly deposited into the county's accounting records. Collectively, these conditions indicate a significant and pervasive control problem.

We recommend that county officials establish written policies and procedures for proper solid waste cash receipting and depositing. We further recommend that management properly train and supervise transfer site cashiers to ensure adherence to prescribed procedures.

**SKAMANIA COUNTY, WASHINGTON**  
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**Schedule Of Federal Findings**

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1. Skamania County Should Prepare And Submit An Accurate Schedule Of Federal Assistance

Our review of Skamania County's Schedule of Federal Assistance found pervasive errors throughout. Types of errors noted included incorrect CFDA numbers, beginning balances, revenues and expenditures. The schedule also included incorrect federal granting agencies and state pass-through agencies as well as simple addition and subtraction errors. Two grants were inappropriately excluded from the schedule and Title XIX, which is not considered a grant, was inappropriately included on the schedule. Office of Management and Budget (OMB) Circular A-102, Subpart C, Section 20 (b)(1) states:

Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

The inaccuracies resulted in over reported revenues and expenditures of \$167,782 and \$149,729, respectively. The numerous errors also resulted in increased audit costs commensurate with the additional audit hours required to review the schedule. The schedule, as presented, is misleading and does not present an accurate reflection of the county's federal revenues and expenditures.

These inaccuracies occurred because administrators responsible for providing federal revenue and expenditure figures for the schedule were not adequately trained. In addition, individuals responsible for preparation of the schedule did not properly reconcile reported figures to the accounting records.

We recommend that the county provide the necessary training to accurately report and properly reconcile the data used in all future Schedules of Federal Assistance.

2. Skamania County Should Monitor Compliance With The Davis-Bacon Act

During our audit of the Federal Highway Administration Planning and Construction Grant (CFDA 20.205), we noted the county did not monitor compliance with Davis-Bacon requirements for a construction project financed by the grant. As a result, a violation of the Davis-Bacon Act occurred when Mid-Columbia Paving, a subcontractor, paid substantially less than prevailing wages to seven employees.

The Davis-Bacon Act requires that all laborers and mechanics employed by contractors and subcontractors to work on construction projects financed by federal assistance must be paid wages not less than those established for the locality by the Secretary of Labor. The act further requires that grant recipients develop a system to assure compliance.

The federal prevailing wage violation occurred because the project engineer responsible for monitoring the act failed to properly review the certified payrolls and the Intent to Pay Prevailing Wages and the Affidavit of Wages Paid documents submitted by the contractor.

We recommend the county establish written procedures for monitoring compliance with Davis-Bacon requirements. We further recommend that project engineers be made aware of the importance of monitoring prevailing wage requirements to ensure compliance with the Davis-Bacon Act.